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Si.

Thursday, 13 March 1947 1 2 3 4 INTERNATIONAL MILITARY TRIBUNAL FOR THE FAR EAST Court House of the Tribunal 5 War Ministry Building Tokyo, Japan 6 7 8 The Tribunal met, pursuant to adjournment, 9 at 0930. 10 11 Appearances: 12 For the Tribunal, same as before with the 13 exception of: HONORABLE MR. JUSTICE NORTHCROFT, 14 Member from the Dominion of New Zealand, not sitting, 15 as of 10:45 A. M. 16 For the Prosecution Section, same as before. 17 For the Defense Section, same as before. 18 19 (English to Japanese and Japanese 20 to English interpretation was made by the 21 Language Section, IMTFE.) 22 23 24 25

ei.

Whalen & Duda

MARSHAL OF THE COURT: The International Military Tribunal for the Far East is now in session.

THE PRESIDENT: All the accused are present except OKAWA, TOJO and ARAKI, who are represented by their respective counsel. We have certificates from the prison surgeon at Sugamo certifying to the illness of the accused TOJO and ARAKI, and stating that those two accused will not be able to attend the trial today.

Some time ago we were asked by Mr. Logan, defense counsel, to refer to chambers the question of framing rules for the examination of defense witnesses. Mr. Logan expressed the hope that an agreement might be reached with the prosecution on such rules. The Tribunal without any dissent agreed to adopt Mr. Logan's suggestion. The parties met in chambers before me and came to an agreement, to which I did not make one single contribution. However, I ventured to congratulate the parties on the measure of agreement they had achieved.

I realize they were called upon to draft a set of rules that would insure a just trial, and yet were expected, in the interests of a speedy trial, to depart from rules shaped to secure a just trial by some of the ablest legal minds our respective

countries have produced.

We have decided to give a trial to the rules agreed upon by the prosecution and the defense, but with misgivings. In the circumstances any set of such rules must be adopted with misgivings. However, we are sure we will have the cooperation of the prosecution and the defense in endeavoring to make them work successfully.

It will, of course, be for the Tribunal to decide whether in any circumstances any adverse statement has been made by a witness called by one accused against another accused. In making such decision we shall be governed by recognized practices.

Mr. OKAMOTO.

KIKUSABURO OKADA, called as a witness on behalf of the defense, resumed the stand and testified through Japanese interpreters as follows:

DIRECT EXAMINATION

BY MR. S. OKAMOTO (Continued):

Q In continuation I wish to have documents
No. 841 and 842 handed to the witness.

(Whereupon, documents were handed to the witness.)

MR. S. OKAMOTO: May I have read the last question and answer yesterday.

(Whereupon, the question and answer were read by the official court reporter as follows:

"Q Can you prove by quoting a passage or passages from the document 841 that those plans were based upon peacetime -- small peacetime budgets?

"A Yes, I can. To begin with, under No. 4 of the preface, these words are given: 'From the standpoint of controlling the pace of its execution, this cutline shall depend firstly on the basis of the sixth war budget.'

"Next, on page 3, in the paragraph '1,
Policy,' these words are given: 'In order to cope
with the present situation and to establish the foundation of our national defense powers accompanying the
perfection of armaments' --

"I should like to explain this in detail.

In 1936 the army believed that, in order to cope with

Soviet expansion, it was necessary to complete -- to
replenish military proparations in the six years between 1937 and 1942. Within the army this was called

'The Six Year Plan for Military Replenishment.' After
negotiations with the Finance Ministry, the amount of

.....

the budget which the War Ministry had originally planned was cut, and the length of the years was lengthened by one year so that it became a seven year plan, and the total budget, thirty-three billion yen, which the Finance Ministry at the time gave informal consent -- to which. But this informal approval was given on the understanding that -- for the actual spending of this money, discussions will be conducted on the basis of the actual situation year by year and after the whole thing had been presented to the Diet for approval.")

THE PRESIDENT: The witness should have refreshed his memory before he came into court. There is no impropriety involved in doing so.

Q Are there any points to be corrected or altered in the questions and answers just given?

A There are. According to the record, it was said that thirty-three billion -- the budget was thirty-three billion yen. I said thirty billion yesterday. And I also said that the matter will be presented to the Diet yearly.

THE PRESIDENT: There is no need to reread the whole of the question and answer to make those corrections.

Q I wish you to make further explanations.

A With respect to the 30 billion yen budget, this was to be used in a period of seven years. But this was not formally approved by the -- officially approved by the Ministry of Finance nor officially approved by the Diet. In the army, however, this was taken for granted for the purpose of formulating a plan, and on the basis of this prepared various other plans.

THE MONITOR: Correction on the figures: 30 billion should read 3 billion.

A (Continuing) The plan given in exhibit 841 is one of them, and this was also formulated on the basis that it would be approved -- on the basis of a fixed budget. The passage in exhibit 841 saying this outline shall depend, firstly, on the basis of the fixed war budget, points to this very fact. In the year 1937 there is no other budget which was considered to be fixed, and it is impossible to think that the long-range budget covering the years 1937 and 1943 was fixed.

Leaving matters with respect to documents at that point, I should like to refer to the attached sheet in regard to the matter of fixed budgets. I now refer you to Appendix 3, Part I. That is page 21

of the exhibit. I refer to the years 1936 to 1943 with respect to army aircraft production. You will observe from the figures that the annual aircraft production in Japan for the army was, in 1936, 522 planes; 1937, 745; 1938, 1500; 1939, 1450; 1940, 1390; 1941, 1380; 1942, 1220; and in 1943, 1050. These figures cannot by any means represent any idea of world domination. It is clear that it is based upon a very small budget.

THE PRESIDENT: Brigadier Quilliam.

BRIGADIER QUILLIAM: May it please the Tribunal, it is submitted that the document must speak for itself. This witness can't interpret it.

THE PRESIDENT: No. Practically every day
I state that we will not be influenced by opinions
but only by facts. I shall continue to state it
every day if necessary. But the prosecution's
witnesses offended in that regard also, among them
Mr. Liebert, to whom this witness is replying. But
one offense doesn't justify another.

Q Mr. Witness, please do as Mr. President said. Will you please refrain from expressing any opinion here. Merely give us facts. Please continue your explanation.

A For instance, in 1943 the total annual army

aircraft production rose to 1505 in the month of August.

THE MONITOR: Instead of "annual" the witness said "monthly" production. Correction.

A (Continuing) Army aircraft production jumped in June 1944 to a monthly production of 1505.

Q In other words, your quotation from court exhibit 841 means that the figures quoted from court exhibit 841 is quite apart from the actual figures, the actual production; wartime production has no connection, is that what you mean?

A Yes. Another point that I wish to state, that in later years the production of aircraft has decreased. I wish to say the same with respect to Appendix 4 and Appendix 5.

Appendix 4 with reference to arms. Now, taking the year 1936 in arms production as 100, that represents 34 million yen. The index here shows that the highest point was reached in the year 1940 and thereafter there has been a gradual decrease, and when the index for the production of arms reached the highest point the amount in money was no more than 66 million yen.

Now, referring to Appendix No. 5 with respect to the production of shells, the index reveals that

the highest point was reached in the years 1941 and '42 and decreased thereafter.

Q Mr. Witness, I do not wish to interrupt, but I wish to remind you that should you speak a little more softly I think it would be easier to understand you.

A With respect to the production of shells as expressed in money, the highest point showed a cost of not more than 70 million yen annually. The years 1941 and '42 represent the height of the war in the Pacific, and does not represent by any means a small production amount.

With respect to tanks, I shall dispense with details or heavy explanations.

Appendix No. 7 shows the wartime production of various types of arms -- monthly wartime production. If you would notice in this chart showing the monthly production of principal arms in wartime, the figure for tanks, including armored cars, is not more than fifty a month, in spite of the fact that this included plans for the promotion of tank production.

Spratt & Yelden

Q Referring again to court exhibit 841, do you wish to say -- do you mean to say that this preparation had no relation whatsoever with future wars?

THE MONITOR: That this plan had no relation whatsoever with any war in the future?

THE PRESIDENT: Here is another opinion. It seems hopeless to try to correct this position. We do not know the opinion is expressed until we hear the translation. I do not know how to overcome it at all. We must hold counsel responsible. These men are supposed to speak from a proof of evidence. Counsel is supposed to know everything they are going to say, that is, counsel examining them in chief, and counsel should eliminate opinions from the proofs of evidence.

MR. S. OKAMOTO: Mr. President, it may be a misunderstanding on my part but I was merely asking whether this court exhibit 841 refers to wars in the future; that is, the plans given in exhibit 841 were actually used or not in a war in the future.

THE PRESIDENT: He said they were not yesterday. He said they were abandoned after the China Incident, as you call it.

Q According to the statement given by the witness just now, the figures of annual budgets seem

to decrease towards the end of the fiscal year; why is this?

A It was merely planned in accordance with the arms replenishment plan and amounted to nothing more than that.

Q From court exhibit 841, appendix 3, part 1, we see there seems to be a considerable increase in emoluments; how do you explain this?

A The army plane production capacity in 1936 was 700 planes. In 1937 the production was 745 planes and in 1938, 1300 planes had to be produced; and therefore in 1938 unless the tank capacity were doubled, production of planes of that figure would be impossible.

Q Is your explanation ended?

A If necessary --

Q I do not particularly ask for further explanation. Should the demand decrease then, I believe, this word "expansion" is liable to cause misinterpretation. What have you to say to this? Do you mean that there is some kind of a consciousness of war ahead?

A The decrease in use and demand is under due consideration and this is -- this meaning is well expressed in exhibit 841.

THE MONITOR: Should be well expressed.

For instance, in Manchuria there is a plan to meet depression, that is in the event of decrease in munitions production.

THE MONITOR: It is contained on page 4, item 5 in the Japanese text.

THE INTERPRETER: Will the Tribunal bear with the Language Section? It is very difficult to find passages, the passage referred to, because the page and the lines do not correspond.

THE PRESIDENT: The Tribunal is satisfied that you are not to blame.

THE INTERPRETER: Thank you, sir.

A (Continuing) I am referring to exhibit 841 under "Outline of Expansion. (1) Building up on the Continent," an item to the following effect:
"Countermeasures against depression and development of export measures." Whereas such countermeasures against depression have been taken in Manchuria, such measures were not taken in Japan inasmuch as there was a general expansion in the manufacturing industries; that in the event there should be any decrease in the demand of munitions or war materials the possibility of such depression could be countered by the fact that the general industries in Japan would be able to

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absorb the excess power. Whereas in Manchuria there were no government-managed arsenals, in Japan there were a number of such arsenals and government-owned factories so that in the event production decreased this would not necessarily lead to any reduction in civilian demand inasmuch as production by government-owned factories and arsenals could be decreased and

THE PRESIDENT: Witness, would you speak softly, please? Apparently the interpreters are having some difficulty in understanding you.

protection given to civilian production enterprises.

A (Continued) With the decrease in the use of munitions goods it was anticipated that a depression in this industry would come around 1941 and 1942, and it is in the light of such an anticipation that in this plan, plans were made, countermeasures were considered insofar as the matter related to Manchuria.

Q According to court exhibit 841 is there any room for interpretation in this way that there was a civil -- civil organs to supplement any measures which were not actually covered by the military budget for national defense measures?

THE MONITOR: Correction: With regard to the plan given in exhibit 841, were there, aside from the military budget, plans for state protection of

civilian production and industries? The witness replied "Yes."

A (Continuing) That was planned with reference to the aircraft industry. In peace time the goal for army and navy aircraft production was 3000 but the plan called for plant installations which would have the capacity to produce 10,000 planes and this plan was to be furthered through protective government measures. Reference to this matter is found in appendix 3, part 2. This shows that the plant capacity for peace-time production of aircraft was to be placed at 10,000 planes a year but that actual production was to be limited to 3000 planes a year and that the balance of the plant capacity unused was to be given government protection. However, this was not carried into effect.

Q In so far as the aircraft production is concerned, it seems that this was a very big undertaking for Japan. What do you say was the motive for this -- what purpose?

A This was based upon fear and apprehension of Soviet expansion, and that it was the desire that even though the budget allotted for military purposes was a small one that the utmost Japan could do would be devoted to the promotion of the aircraft industry; but in the event of an energency all efforts, however small, could be concentrated on the single point of increasing Japan's air power in meeting the situation.

Q In saying that this aircraft industry was projected as a measure of defense against Soviet Russia, can you point out any specific points in this court exhibit 841 with respect to this -- to prove that?

A Yes, I can. Yes, I refer to appendix No. 3, part 2: "Computation of objectives of expansion for airplane industry based on national policy measures. Estimation of wartime productive power." I should like to give an explanation of this part of the appendix.

THE PRESIDENT: Brigadier Quilliam.

BRIGADIER QUILLIAM: It is submitted, if it

please your Honor, that the witness cannot explain the document; the document must speak for itself. The words are plain.

THE PRESIDENT: This witness, no doubt, acted upon instructions in preparing this plan. He can state the instructions he received. We do not assume for one moment that he was asked to size up Japan's position in the world and prepare plans to meet it. He received instructions undoubtedly. What were they?

The objection is allowed, subject to that.

A (Continuing): In the first year the total plane production goal was 12,866.

THE PRESIDENT: It is suggested by one of my colleagues that there was a conversation in Japanese which we did not hear. I could not say whether there was or not. Was there? If so, we should know what it was.

THE INTERPRETER: Yes, your Honor. We were inquiring of the witness to what part of the particular index he was referring to inasmuch as the Japanese chart has been made in such a manner that it is very difficult to locate the particular item.

A (Continuing): With respect to the division or sharing of this production of 12,866 planes, it was decided that the division between the army and

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the navy would be made in accordance with the armynavy mobilization agreement, and then, that with
regard to the method of dividing this amount of
planes, the division would be made between the
principal operating force and the partially operating force at the ratio 62 to 38.

BRIGADIER QUILLIAM: May it please the Tribunal, I suggest that what the witness is discussing at the moment can have no relevance in this case whatever. I respectfully suggest that it has become obvious that the witness has taken charge of counsel, who is not really examining him at all, and therefore a great deal of time is being wasted over matters that are utterly irrelevant or, at any rate, have a very faint reference to this matter.

AR. S. OKAMOTO: Mr. President, I wish to add one word. The words of the prosecutor were uncalled for because the testimony given by the witness now is in refutation of Mr. Liebert's very strong statements to the Court. By court exhibit 841 and 842 Mr. Liebert said that -- claimed that this was a great preparation for the Pacific War -- for the China Incident and the Pacific War.

THE PRESIDENT: I will tell you again, without hope of achieving anything, that we are

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disregarding Mr. Liebert's opinions, and you need not cross-examine about them.

MR. S. OKAMOTO: I understand very well what Mr. President has just said. However, in view of the fact that the figures and the plans given in court exhibits 841 and 842 involve --

THE MONITOR: I understand the words of the President very well, but inasmuch as the plans, exhibits 841 and 842, involve very minute figures and detailed plans, I submit that it is necessary for the formulator and drafter of this plan himself to come to the Tribunal and explain the meaning and purpose of some of these items.

THE PRESIDENT: We will recess for fifteen minutes.

(Whereupon, at 1045, a recess was taken until 1100, after which the proceedings were resumed as follows:)

Greenberg & Goldberg

MARSHAL OF THE COURT: The International Military Tribunal for the Far East is now resumed.

THE PRESIDENT: Major Moore.

LANGUAGE ARBITER (Major Moore): Mr. President, with the Tribunal's permission, we submit the following language corrections:

Record page 18,275, line 15, read "1 billion 57 million."

Line 16, the words of the interpreter should be corrected according to the above.

Record page 18,285, line 2, read "300 million." Line 5, read "1 billion, 400 million." Line 7 and 8, read "2 billion."

Record page 18,286, line 12, delete "thirty."

THE PRESIDENT: Mr. OKAMOTO.

MR. S. OKAMOTO: On our part, it is not only our intention merely to refute the interpretation of exhibits 841 and 842 but, on the basis of the figures given therein, to prove that there was no aggressive intention on the part of Japan and that neither the China Incident nor the Pacific War was foreseen by Japan.

THE PRESIDENT: Objection upheld. We do not want opinions from the witness. I do not think

you fully appreciate the difference between a statement of fact and a statement of opinion. Maybe it
does not count so much in Japanese courts as it does
in other courts. That is readily understood. But
you must acquire that understanding if you are to
efficiently examine witnesses before this court.

In your summation you can ask the Court to draw the conclusions which you want the witness to give. There will be nothing to prevent you, looking at the figures, from inviting the Court to draw those conclusions.

MR. S. OKAMOTO: Mr. President, even in Japanese courts there is more emphasis laid on facts.

THE PRESIDENT: In this court emphasis is laid wholly on facts unless you have an expert in the box.

MR. S. OKAMOTO: Mr. President, if it be permitted to go into further details about the career about this witness, I believe it can be said that he is a very authoritative witness.

THE PRESIDENT: We refused to declare Liebert an expert. This subject does not call for expert testimony, not this particular section of it.

MR. S. OKAMOTO: I will reframe my question.

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BY MR. S. OKAMOTO (Continued):

Court exhibit 841, Appendix 3, part 2. THE MONITOR: We are inquiring as to the location of that passage referred to.

MR. S. OKAMOTO: The part which the witness referred to a little while ago.

THE MONITOR: This is with respect to estimation of wartime productive power, Appendix 3,

THE PRESIDENT: Some means must be adopted to avoid this delay. This is dreadful. This morning was the worst experience we have had. We may have to ask for an amendment of the Charter so far as broadcasting Japanese is concerned. It is not necessary in any trials in our national courts; it is not necessary in the interests of justice. It is done for propaganda purposes. Why couldn't you get this witness to swear an affidavit as you did in the case of other witnesses?

MR. OKAMOTO: we did prepare an affidavit. However, we could not get the translation out in time.

THE PRESIDENT: Well, wait until you can in the future.

MR. S. OKAMOTO: We are more than half way

through, sir. Mereafter, I shall frame my questions 1 in a very short form. 2 THE MONITOR: Inasmuch as we are more than 3 midway in the course of the direct examination, I should like to frame my questions as briefly as possible, omitting a number of points that I had intended to ask. 7 THE PRESIDENT: I hope that you will try 8 to finish before lunch. 9 MR. S. OKAMOTO: I shall try. 10 THE PRESIDENT: The range of this man's 11 evidence is such that you should have finished long 12 ago. 13 MR. S. CKAMOTO: I was nearing the end of 14 court exhibit 841, and I was just about to begin on 15 842. 16 May I continue with the questioning? 17 THE PRESIDENT: That is what I want you to 18 do. 19 20 22 23

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BY MR. S. OKAMOTO (Continued):

Referring to the last part of the Appendix
Three, can you point out exactly the passage -- the
exact passage --

THE MONITOR: Can you explain or prove by the use of figures that the plan was drawn up as a measure of defense against the Soviet Union?

A Yes. Speaking simply, I may speak of the Army as being the principal force to be used in the event of such an emergency and give the airplane production in that connection.

We will jump to Court exhibit 842. I understand that exhibit 842 consists of three parts. Will you explain the relevancy of it?

THE MCNITCH: Why it is divided into three parts?

A Part Two was a plan drafted by the Ministry of War and presented to the Cabinet with a desire that it be materialized. This was the preparation for -- the drafting of this was completed on May 29th and was tendered to the Diet the day after or immediately after.

The second part consists of materials to be used for reference purposes pointing out items which ought to be realized in connection with Part (ne;

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and we, ourselves, did not necessarily agree with some of the items set forth therein. Hence, it is designated as a tentative or draft plan of the Ministry of War and has not been officially submitted and was not officially submitted to the Cabinet.

Part Three consists of a plan drawn up by the Cabinet in accordance with the Army draft plan and was approved and decided upon by the Cabinet Council on January 17, 1939.

THE MCNITCR: The correction was made in Japanese, but it is unnecessary in English.

A (Continuing): This became a -- this was given a Cabinet decision a year and half later and this is as a result of the outbreak of the China Incident. Although the Army plan called for a five-year plan, the Cabinet -- it was unavoidable that the Cabinet revised this plan as a four-year plan. In addition to these three divisions there was another plan formulated by the General Staff Office-- another five-year plan prepared by the General Staff Office.

Referring to Part Three concerning the expansion of armaments--expansion of production, was Mr. YOSHINO, who testified here yesterday, Minister of Industry and Commerce at that time?

or not?

He was not Minister of Correrce and Industry A at the time the Cabinet decision was taken. Referring to Court exhibit 842, Part One, 3 Summary of Five-Year Program of Important Industries, prepared by the War Ministry, was this ever submitted to the Cabinet? THE MONITOR: No. Was it ever submitted 7 to the Ministry of Commerce and Industry? 8 No. This plan was proposed to the Cabinet. Q Was Mr. YOSHINO, Shinji, Minister of 10 Industry and Commerce then? 11 He was not invested as Minister of Commerce 12 and Industry at the time this proposal was made. 13 Q Referring to Part Two, Resume of Policy 14 Relating to Execution of Essentials of Five Year 15 Program of Important Industries, was this ever referred 16 17 to the Cabinet? THE MONITON: Or to the various ministries? 18 This second part was not at any time offici-19 ally given -- presented to any governmental department; 20 but I do recall that it was shown just merely for 21 reference purposes to the competent departments in 22 23 charge. 24 However, did the Minister actually see this 25

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A You mean the second, Part Two? 1 Q Yes, Part Two. 2 I think that they, the Ministers, have not 3 seen this plan. 4 Concerning the proposal of the General 5 Staff, what attitude did the War Ministry take? 6 At first the General Staff Office's Proposal for the Expansion of Important or Essential 8 Industries, the War Minister gave it the cold shoulder, 9 10 calling it a plan impossible of realization -- impos-11 sible of execution. I was the only person who 12 ardently and fervently advocated the recessity of 13 realizing the industrial expansion plan; and I recall 14 that the time was around April, 1937. That was two or three months previous to the Lukouchiao Incident, that is the Marco Polo Bridge Incident. What interest did Vice-Minister of War 18 UNEZU take in this? With reference to which document? Will you please state briefly the attitude of the War Ministry in general concerning the proposal made by the General Staff? Of course, the attitude was different

depending on the time, but when the General Staff

proposal was made the entire War Ministry save myself

showed no interest in it. However, later on, after the War Ministry personnel began to realize that this was an important measure for the purpose of executing the national policy, the higher officials in the War Ministry including UMEZU became very positively interested in the materialization of the proposal; but with reference to exhibits 841 and 842 there is a difference in General UNEZU's attitude.

With respect to 841, purely military matters, he did not show any particular interest. At the time before the outbreak of the China incident the War Ministry officials did not have any deep interest in the question of how to guide or lead the munitions industries.

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However, with respect to exhibit 842, inasmuch as the fact that its subject matter is quite political in nature it drew the attention of the officials in the War Ministry to the extent that in the end they became active supporters of the plan.

Q Please state the reason for the general staff formulating an industrial plan?

A At that time it was the general staff which felt most apprehensive in connection with the national power as well as military strength of the Soviet Union.

THE MONITOR: Strengthening --

THE INTERPRETER: Strengthening of the national power as well as the military power of the Soviet Union.

A (Continuing) And furthermore, it was because modern national defense rested upon a strong industrial foundation.

authorities vis-a-vis the industrial -- industry -- was
the intention or ideas entertained by the operational
authorities with respect to the expansion of industries.

At that time the Chief of the Second Section of the
General Staff Office was Colonel ISHIHARA, Kanji, who
later became Director of the First Division of the
General Staff and promoted at that time to the rank
of Major General. General ISHIHARA was what might be

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called the first propelling force of the industrial plan and I have been frequently informed as to his intentions, both directly and indirectly. According to my knowledge of General ISHIHARA's idea whilst hoping for the general -- generally for the construction of Japan's peace-time economy, he could not escape apprehensions with regard to the pressure and menace of the Soviet Union and the need for securing the Japanese -the national defense of Japan vis-a-vis that menace; and then, furthermore, that he was very much interested and concerned with preservation of Manchukuo. In accordance with this hope, it was General ISHIHARA's idea to replenish the national defense power of Japan as against the Soviet Union in order that that national defense might be secure against that power without fighting.

With respect to China it was his hope and desire to every extent possible to promote intimate friendly relations on the basis of the good neighbor principle. That is my understanding, yes, and I have heard him say many times after the outbreak of the Marco Polo Bridge Incident that we must exercise every patience and restraint with respect to that affair.

BRIGADIER QUILLIAM: May it please the Tribunal, it is submitted that this type of evidence is objectionable

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The general staff plan has not be produced and we have been given now an account of General ISHIHARA's alleged statement with reference to the object of the written document.

MR. S. OKAMOTO: I merely went in very thoroughly into the motives and the purpose of the plans given in Court exhibit 842.

THE PRESIDENT: The objection is upheld.

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Q I shall change my question. How did the cabinet dispose of the plan submitted by the army with reference to the five year plan?

The cabinet immediately gave close scrutiny and study to the plan but the China Incident suddenly brok out at that time. At first, however, it was unavoidably necessary for the cabinet to give due consideration and study to the matter of adjusting imports in the light of Japan's reculiar and special position with respect to trade. Among the items which became necessary with the increase in the number of forces mobilized and sent but to mobilize Japanese war materials to a very great extent. It was necessary to effect the mobilization of war materials -- as a result of this increase in the number of personnel mobilization a very voluminous material mobilization for military purposes became necessary. When the demand for material was made it was around October or the end of October 1937. At this time it wasn't sufficient merely to adjust imports, the volume of imports; the supply of materials as a whole needed to be adjusted. At that time this was called the Material Supply Plan, and this plan, with the extension of the Incident, developed into the Materials Mobilization plan. Altogether in relation with this

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mobilization plan various other very complicated and extensive plans were called for. Such being the situation, the study and consideration of the five year plan submitted by the army did not progress. Despite the fact that the army asked that the industrial expansion plan be started from the year 1937, that year ended without enything being done with respect to that plan and, therefore, the four year plan went into effect in the following year, that is, 1938, but even at the outset of the year 1938 nothing was done about this plan, that is, nothing -- at the start of the year nothing was done with respect to organizing the entire four year plan. Hence, the mobilization plan with respect to the year 1938 was started only as an annual plan limited only to that year. Such being the case the entire four year plan was not organized as a coordinated four year plan until the end of the four year period, in other words, the 11th of July, 1939 -- correction: January 17, 1939, by a cabinet decision. The fact that a five year plan had been reduced to a four year plan and that this four year plan was not completely organized until the end of that four year period indicates how at the outset of the plan plans were disorganized.

Is this point made clear in any of the

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chapters of Court Exhibit 842?

The fact that part one was completed -the date of the completion of part 1 is indicated
in the exhibit, the date being 29 Mey 1937, and part 3
was decided on by the cabinet in January 1939. This
also is indicated in this exhibit. And the annual
schedule is -- of production is indicated in a chart
following page 3 in the exhibit, beginning in the year
1938.

Q How was it in the ease of Manchuria?

Manchuria together, whereas part 3 concerns Japan only. When the War Ministry made a request of the Japanese government with respect to this plan it also made the following request -- gave the following instructions to the Kwantung Army in Manchuria. In other words, the War Ministry in Tokyo instructed the Kwantung Army to contact and consult with the Manchukuo Government in order to bring about the realization of the plan.

· Q What did the Manchukuo Government do about it?

A The Manchukus Government gave this proposal immediate study and, supplement it with requirements peculiar to Manchukuo, it formulated the Manchukuo --

it formulated the Manchukuo five year industrial plan which was initiated, that is, inaugurated in 1937.

Q As regards the conomic exploitation of North China, development of North China, will you please give the explanation so as to enable us to understand the whole thing, yes or no?

THE MONITOR: Can you simply by answering yes or no tell us whether these plans included the economic development of North China?

A Of course, the obtaining of natural resources and raw materials was expected from that area, but the development of that area was not included or considered in this plan.

Q I can understand that by the effect of the China Affair the plan embodied in Court exhibit 842 was delayed in its execution, but why was its score reduced?

ment of ordinary steel was 20,000 tons a year. However, with the outbreak of the China Incident the requirement jumped to over 200,000 tons in the letter helf of 1937 and to over 600,000 tons in 1938. The neak of requirement was reached -- when the neak of the requirement was reached the figure was 980,000 tons.

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The Navy demend of this product also increased. Iron was also greatly needed by civilian industries in connection with the construction of a larger number of factorites in Japan in accordance with the demands of the army and navy. Because of the fact that such a situation was not enticipated at first, the ballef was that no more than 20,000 tons or a few tens of thousands of tons was necessary for the purpose of military replenishment. However, because of the fact that such large amounts of iron and steel became necessary it was unavoidable that a sufficient quantity of this product gould not be channeled into --could not be channeled for the purpose of industrial --for the industrial plans in general.

THE PRESIDENT: Have you much more?

MR. S. OKAMOTO: I should think I would
need about fifteen minutes more.

THE PRESIDENT: Fifteen minutes. We will recess until half past one.

("hereupon, at 1200, a racess was taken.)

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AFTERNOON SESSION

The Tribunal met, pursuant to recess, at 1330.

MARSHAL OF THE COURT: The International Military Tribunal for the Far East is now resumed. THE PRESIDENT: Mr. OKAMOTO.

KIKUSABURO OKADA, called as a witness on behalf of the defense, resumed the stand and testified through Japanese interpreters as follows:

DIRECT EXAMINATION

BY MR. S. OKAMOTO (Continued):

Q Mr. Witness, will you continue to answer the question which was put to you before the noon recess?

A This morning I spoke of the fact that the expansion plan for important industries could not be continued because of the attrition in the army and navy stocks of supplies; and, therefore, at the outset of the execution of the plan, of the original plan, the goal was either reached -- or the goal was nearly approached or surpassed only in connection with special industries, light metal industries, machine tool industry and the automotive industry. Excuse me --

instead of special industry, special steel industry. In connection with the other industries, an incomparable sacrifice was suffered. The greatest handicap was experienced by the synthetic oil industry. The electric power industry and the building of train coaches also suffered great handicap, unavoidable handicaps. The chemical industries also likewise suffered a great loss. General speaking, only the machine industries which have some relationship to such direct war industries as the manufacture of arms and planes achieved any measure of success.

THE MONITOR: Slight correction: Generally, only those industries which were closest to the manufacturing of arms and airplanes -- for instance, the machine industry -- managed to expand or grow.

A (Continuing) And, therefore, the original intention to overcome Japan's most -- the greatest handicap, that is, the lack in supply of raw materials, the effort to overcome this handicap was in vain.

Q I have only one point left. Can you point out by quoting a passage from exhibit No. 842 that the plan set forth therein was not in preparation for the Pacific War?

A I can so point out from two points.

THE PRESIDENT: Another opinion, but let it go. It will save time to listen to it and then disregard it.

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Q Please try not to express your opinion but point out facts from this affidavit -- from this document.

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THE PRESIDENT: You invited him to express an opinion.

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A One point is the goal in the production of synthetic oil as expressed in figures. Another point is with respect to the speedy and epical efforts to bring about self-supply in raw materials without having to depend upon imports, which is so stipulated in

Q Would you add a brief explanation to your

A In order to prosecute the China Affair to

statement, because it does not fully explain what

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this exhibit.

you want to say.

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the extent of its scope as of 1941, the consumption of petroleum would be as follows: aviation gasoline and ordinary gasoline, 230,000 kiloliters, and 1,050,000 kiloliters of heavy oil. The production goal for gasoline in the last fiscal year of this plan was, for Japan with respect of gasoline,

290,000 kiloliters; Manchuria, 330,000 kiloliters;

crude oil in Japan, 850,000 kiloliters; and Manchuria, 2 280,000 kiloliters -- 180,000 kiloliters. 3 Q What do you mean by "try not to depend as much 4 as possible on outside supplies"? A Which means that even in wartime the necessary 6 imports of war materials would be continued. That is, 7 to continue imports from the outside but not as -to continue imports from the outside as much as possible, and that is because Japan relied for its 10 supply of these materials to the Anglo-American bloc 11 and, therefore, materials would, as before, have to 12 be relied upon for supply from thas bloc. 13 MR. S. OKAMOTO: I conclude my examination. 14 The prosecution is free to cross-examine him. 15 THE PRESIDENT: Brigadier Quilliam. 16 CROSS-EXAMINATION 17 BY BRIGADIER QUILLIAM: 18 Q Witness, you told us yesterday that the plan, 19 exhibit 841, was not shown to any other ministries. 20 Do you say that it was not shown to any ministry -- any 21 22 other ministry? A You are referring to exhibit 841, sir? 23 24 Q 841.

A It was not shown to other ministries.

BRIGADIER QUILLIAM: All right. I ask that

1 exhibit 2227 be handed to the witness, if it please 2 your Honor. 3 (Whereupon, a document was handed 4 to the witness.) 5 THE MONITOR: Brigadier Quilliam, can you 6 give us the prosecution document number on that, sir? 7 BRIGADIER QUILLIAM: Prosecution No. 2946. 8 THE MONITOR: 2946. Thank you. 9 Q Now, Witness, you will see that that is a 10 kind of summary or extract from the Five-Year Plan, 11 exhibit 841. 12 A This is in reference to exhibit 842. 13 Q 842. 14 A The plan which I said was not shown to other 15 ministries was that given in exhibit 841. 16 Q You notice that this is dated the tenth of 17 June 1937? Do you notice that? 18 A I do. 19 Q Do you see that it is entitled an "Outline 20 of Japanese Army's Five-Year Plan"? 21 A Yes. 22 23

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Do you not agree that it is really a report or summary from exhibit 841, the Army's Five Year 2 Plan? I do not. Very well. We will leave that for the Tri-5 6 bunal to judge. 7 Now, I want you to look at the last page, 8 the memorandum to the accused HIROTA. Do you see what I mean? 10 No, I do not understand yet. I cannot find 11 the passage. 12 On the last page, the memorandum signed by 13 AKIYAMA and addressed to HIROTA. Have you got it? 14 Yes, I have. 15 Who is AKIYAMA? 16 I do not know. A 17 Now, if this plan is the plan in 841, you will see from this note, will you not, that it was 19 shown to the other ministries? 20 I will read part of the note before you 21 reply: "This report enclosed herewith is an extract 22 from the note shown to me confidentially by the Army 23 side. Every Ministry will set to make a draft through this line. And, as soon as the programs have been 25 drafted, they should be submitted to the Cabinet

Planning Board for execution." 1 Now, then, if this plan, if this is an out-2 3 line of the plan in exhibit 841, obviously the ministers knew, didn't they? You have used the word "if," assuming that 6 it was done? 7 Yes. Q 8 But will you be good enough to listen to my explanation? 10 What is your explanation? 11 If you would note the subject matter in 12 this outline of the army's five year plan you will 13 note that it is an expansion plan for raw materials 14 with respect to automobiles, machine tools, steel, 15 petroleum, synthetic oil, pig iron, alcohol, coal, 16 aluminum, magnesium. 17 And are not all those matters covered in 18 exhibit 841? 19 No. The items mentioned in exhibit 841 relate 20 to aircraft, automobiles, tanks, arms, et cetera. 21 items which you have just mentioned are all mentioned 22 in exhibit 842. 24

The five year plans formulated by the army are two: One, contained in exhibit 841, relates to purely military items. Exhibit 842 relates to national

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defense materials in general, and strategic materials, 1 and relate principally to raw materials and fuel. And you say that 842 was shown to all the 3 ministries, but not 841? 5 A Yes. 6 I see. Now, Witness, you said yesterday that 7 the date 1941 in these plans for the end of the period 8 had no importance. Now, will you look at appendix 3 9 of exhibit 841, appendix 3, which is page 21 in the 10 English translation? I am referring to part 1, 11 Witness. Do you observe at the top of the page, or 12 at the beginning of the appendix: "Goal to be five 13 years hence." 14 Yes, I notice it. 15 Later on, lower down, it refers to total 16 peace time operation capacity. Do you see that? You 17 see that, do you? 18 Yes, I notice it. 19 And then below that these words: "1942 20 and thereafter, required war time capacity, first 21 year?" 22 Yes, I notice it. 23 Does that not indicate that when the plan

was drawn up in 1937 it was anticipated that there

would be a war by 1941?

1	A It does not.
2	Q It does not. So when it talks about the
3	first year of war time, what do you say that means?
4	A This means that army aircraft production
5	in 1942 1941, the expansion plan '42, the expan-
6	sion plan for the 140 army companies, airplane
7	squadrons, will be completed. Even though air corps
8	companies could be organized, it would be meaningless
9	unless they could be supplied with airplanes.
10	Q Witness, you are not answering my question.
11	Don't those words mean plainly that 1942 was looked
12	upon as being the first year of the war?
13	A It does not mean.
14	Q Very well. I am prepared to leave that to
15	the Tribunal, too.
16	Now, will you turn to the part, it is page
17	ll in the English translation, dealing with the ammu-
18	nition industry. Have you got it, Witness?
19	THE MONITOR: Mr. President, the witness has
20	the original but we have a mimeographed copy, and the
21	pages don't seem to match. May I explain to him
22	where to find the place?
23	THE PRESIDENT: Cortainly.
24	Q Let me see if I can help the witness. If
25	you look at number two, paragraph two, "Ammunition

Industry including Bombs -- " I have found this passage. 2 That is "Ammunition Industry including Bombs." 3 I want you to go to paragraph 5 of that, 5-C. 4 THE INTERPRETER: Yes, the witness has that 5 passage, sir. 6 7 Q All right. Now, at the end of that paragraph are these words: "Moreover in the event of the out-8 9 break of hostilities during that said year, special message for the rapid replenishment of equipment will 10 be devised." And the said year means 1941, doesn't 11 12 it? This is in reference to 1942. 13 14 15 16 17 18 19 20 21 22 23 24

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Q 1942? Did I understand you to say that refers to 1942?

A Yes, 1942.

Q I see. Do you still say that hostilities were not expected about 1942?

MR. LOGAN: If the Tribunal please, this witness has not been called as an expert as to his opinion as to when any event was to occur, and, furthermore, I notice a tendency on the part of the prosecution to stop this witness after being asked a question to explain viy he has given certain answers. The prosecution has been shutting him off.

THE PRESIDENT: This merely goes to credit.

THE INTERPRETER: The witness just said,

"May I be permitted to explain?"

THE PRESIDENT: I have not noticed any tendency to prevent his answering in a proper way.

BRIGADIER QUILLIAM: All I want the witness to do is, having seen that reference, to tell the Tribunal whether he still says that the year 1941 mentioned in the plan has no significance.

THE WITNESS: I regret exceedingly that you are passing such judgment without permitting me to explain just what it means. As a matter of fact, I have not yet replied in respect to this question.

Q Witness, all I am asking you is this: Having seen that reference there, do you still say that the year 1941 in the plans has no significance?

A It is merely an estimate, and nothing more, whether in this year 1941 in the event hostilities opened between Japan and the Soviet Union whether or not Japan could supply sufficient aircraft to 140 air companies.

THE PRESIDE T: As it goes to credit only,
I think we have heard enough, Brigadier.

BRIGADIER QUILLIAM: Yes, I have been thinking that.

Q Witness, I want to deal with another subject now. Mr. Liebert, in his evidence, told us about a number of measures, 'laws, and ordinances relating to industrial matters passed after June, 1937, and I remind you of some of them. There was the Imperial Fuel Development Company Law, August, 1937; the Iron Manufacturing Industrial Law, August, 1937; the Oil Resources Exploitation Law, March, 1938; an Act to Promote the Production of Important Minerals, of March, 1938, and there were many others, were there not?

A Before dealing with this question I should like to settle the question with respect to the year 1942.

THE PRESIDENT: You answer questions.

BRIGADIER QUILLIAM: May it please your

Honor, I prefer not to question a witness of this
kind. I will conclude my cross-examination.

THE PRESIDENT: Mr. OKAMOTO.

REDIRECT EXAMINATION

BY MR. S. OKAMOTO:

Q Witness, the question put to you by the prosecutor just now was a very simple one. He merely asked you if the year 1942 was not considered as the first year of hostilities, as it is written in one of those documents; that the year, 17th year of Showa, that is, 1942 is the first wartime year.

BRIGADIER QUILLIAM: May it please your Honor, I submit that is not a proper question in redirect examination. It is an admonition to the witness.

THE PRESIDENT: It is an appeal to the witness not to be stupid, but to give to Mr. OKAMOTO the answer he should have given to the Brigadier. We do not want to hear the answer at this stage.

The objection is upheld.

Q Then I shall reframe my question and ask you in this way. The words, "the first year of hostilities,"

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does that -- do those words mean -- are used customarily for matters relating to operations? Are 2 they customarily used for the purpose of formulating an operation plan? THE INTERPRETER: The witness replied "Yes." BRIGADIER QUILLIAM: And now, may it please your Honor, the question is a grossly leading one. THE PRESIDENT: The chance is it will be disallowed in any case. THE WITNESS: I feel it is extremely regrettable that this most important question has been disallowed. THE PRESIDENT: I think we will have to deal with this Japanese Major General. He is not addressing the Japanese Army now. MARSHAL OF THE COURT: Order in the court.

THE MONITOR: Before that, the Japanese counsel replied to the witness that the objection disallowed was not directed against the question but against the objection by the prosecution.

Did you write those words yourself, that is, "first year of hostilities," as appear in this document?

Yes, I wrote it myself.

Q. Was it written in accordance with an

instruction that you received from your superiors?

A It was no more than a consideration of whether or not when the replenishment of aircraft -- the plans for replenishment of aircraft was completed whether the air companies could be sufficiently supplied with aircraft.

THE MONITOR: Slight correction. When the organization of the aircraft squadrons and such were completed, can the supply be replenished?

Q Now, turning to the last fiscal year of this plan, was it anticipated that this plan would be continued further or extended?

A Plans were formulated, as shown in exhibit 841, to extend to the year 1943, and therefore there is no deep significance with respect to the end of the year 1941.

Q Was a renewal of the plan expected?
A Yes.

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THE PRESIDENT: I do not understand that at any stage I refused to allow Mr. OKAMOTO to get out of the witness the explanation of any answer he gave in cross-examination. If I did I was wrong but I do not understand that I did.

Mr. OKAMOTO, do you understand that I prevented you from getting the witness to explain any answer he gave in cross-examination. There is, of course, a limit to any such explanation. You are not allowed to explain the obvious.

MR.S.OFATORO I had thought that I would be permitted to clarify certain questions which had not been clarified in the course of the cross-examination; however, it may have been my misunderstanding. I am not sure whether it is a misunderstanding or not.

THE PRESIDENT: Put the question you think you were wrongly prevented from putting.

MR.S.OKA OTO: I felt that it was unfair for the prosecution to point out various passages in the document which refer to the "first year of war" and not permit the very man who formulated these plans to make an explanation of the meaning of those words. The witness has not yet clarified that point.

THE PRESIDENT: What was the expression again? I recollect some of it. You suggested it had a

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technical meaning, I thought. It refers to the first year of war.

MR.S. OKATOTO: Yes. All I want to ask of this witness is whether or not in formulating an operational plan such words as the "first wartime year" is not customarily used as a technical term with respect to the formulation of such plans.

THE PRESIDENT: The witness may answer. There is no objection.

Q Please explain.

THE YNTERPRETER: I have asked him to speak slowly.

A At one time I was a secretary in the Board of Natural Resources of the Cabinet which was the forerunner of the Planning Board; and at that time I participated in the drafting of the Second Period National Mobilization Plan.

THE PRESIDENT: Do you regard that as an answer?

The Brigadier was well within his rights in objecting, in the first place, to this man's explaining terms which have only one meaning but he has allowed this question to be put and now we have no answer to it. There is no attempt to answer the question.

THE WITNESS: I am about to answer that

question, your Honor. Then answer as briefly and simply as possible, Mr. Witness. 3 And at that time the plan was formulated with 1935 as the first wartime year and 1911 as the second wartime year. Even before that the First Period National Mobilization Plan was drawn up in 1933 with that year as the first wartime year and 1934 as the second wartime year. THE PRESIDENT: We still have no answer; 10 no attempt to answer. 11 I am asking you, Mr. Witness, not to give 12 13 any illustration but to give as bracfly and simply as possible how this particular word is used in drawing up an operations plan. 15 THE MONITOR: What the technical meaning of 16 17 the term "wartime year" is in military use. That is 18 what I am asking. BRIGADIER QUILLIAM: May it please your Honor, 19 20 I am very reluctant to interfere -- interrupt Japanese 21 counsel too much but I submit that this type of 22 questioning is most objectionable. THE PRESIDENT: The counsel is doing his 23 24 best. The witness is utterly impossible. THE WITNESS: I am not impossible; I have not 25

even said anything.

MARSHAL OF THE COURT: Order in the court.

THE PRESIDENT: I do not think we should hear this witness any further. I think we are well warranted -- indeed required -- in the interests of order in this court not to hear this man further.

MR.S OKAPOTO: I will do my very best, your
Honor, but will you permit me to ask just one small
question, just one short question? I will do my
utmost to have the witness answer as simply as possible.
May it be permitted? It can be answered in one word.

THE WITNESS: Only a comparison of demand and supply was made on a hypothetical basis; that is all.

THE INTERPRETER: The Japanese Counsel:

There is some misunderstanding in the words used inasmuch as the same words may have a different meaning. The Japanese counsel was just merely confirming that, asking him what he meant about the balance or comparison of demand and supply, to which the witness answered that it was merely an effort to balance supply and demand and see whether there would be any deficiencies ore way or the other.

BRIGADIER QUILLIAM: It has been pointed out to me, your Honor, that for some time the witness and

counsel have been exchanging remarks which have not been translated. 2 THE PRESIDENT: Well, you have asked that question and you have received an answer, I take it. MR. S. OKAMOTO: I conclude my examination --6 re-examination, your Honor. THE PRESIDENT: The witness is excused on the usual terms. 9 (Whereupon, the witness was excused.) 10 THE PRESIDENT: Mr. SHIOBARA. 11 MR. SHIOBARA: I am counsel SHIOBARA. 12 should like to have the witness ONO, Takeshi, called 13 to the witness stand. 14 15 16 17 18 19 20 21 22 23 24 25

TAKESHI ONO, called as a witness on behalf of the defense, being first duly sworn, testified 2 through Japanese interpreters as follows: 3 DIRECT EXAMINATION BY MR. SHIOBARA: 5 Mr. Witness, will you please state your name, 6 the year in which you were born and your present 7 address -- the date of birth? 8 My name is ONO, Takeshi. I was born at 9 10 Takata-Machi, Nishi Kunisaki-Gun, Oita Prefecture. 11 graduated from the Imperial University in 1929. I 12 graduated from the law college of the Tokyo Imperial 13 University in May 1915; and in November of the same 14 year I entered the Ministry of Communications. 15 July 1935 I became Director of the Mercantile Marine 16 Bureau of the same ministry and then I was appointed 17 Vice-Minister of Communications in January 1938 and 18 left the same post in March 1939. 19

Nor I will show you the defense document No. 708. Will you please examine it and state whether it is your affidavit written by you?

Yes, this affidavit was written by me. MR SHADBARA: I tender in evidence defense decument No. 700.

THE PRESIDENT: Admitted on the usual terms.

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CLERK OF THE COURT: Defense document No. 708 will receive exhibit No. 2369. 2 (Whereupon, the document above 3 referred to was marked defense exhibit No. 2369 and received in evidence.) 5 MR. SHIOBARA: I should now like to read 6 exhibit 2369, omitting such passages as I regard to 7 8 be opinions. (Reading): "It is a well-known fact that Japan, ever 10 since the Meiji Restoration, adopted a policy of 11 encouragement and promotion of every phase of her 12 industry in order to catch up, in some way or other, 13 with the advanced countries in Europe and America. 14 Being surrounded by sea on all sides and favored 15 with other suitable conditions, Japan had special 16 advantage for developing her marine transportation 17 and ship buildang. "--18 THE INTERPRETER: I am reading from 19 paragraph 3, page 1 of the affidavit. 20 THE PRESIDENT: Mr. SHIOBARA, we will recess 21 for fifteen minutes. 22 (Thereupon, at 1445 a recess was 23 taken matti 1000, after which the proceedings 24

were resured as follows:)

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MARSHAL OF THE COURT: The International Military Tribunal for the Far East is now resumed.

THE PRESIDENT: Mr. SHIOBARA.

MR. SHIOBARA: I shall resume reading the last sentence on Page 1.

"However, due to her national isolation during the TOKUGAWA period, a policy was adopted to prohibit the building of larger-type sea-going vessels and foreign navigation so that Japan held the lowest rank in this respect. In other words, there was almost nothing in existence with respect to this field which was worthy of mention. It is only natural, therefore, that the Japanese Government should have paid special efforts for the new establishment and encouragement of these enterprises. It was after 1887 that laws concerning these efforts were promulgated and the Ship-Building Encouragement Law and the Ocean Navigation Subsidy Law came into being. These two laws were enforced throughout the TAISHO and the early part of the SHOWA periods, which encouraged and subsidized the building and commissioning of larger type vessels which were considered superior at that time."

We shall now skip eight lines.

"As a result of such measures these enterprises developed remarkably and the total gross tonnage

of vessels at the beginning of SHOWA (1926) amounted to 4,000,000 tons and the volume of foreign goods obtained by these means was so good as to come next to the export volume of raw silk and raw cotton.

"Under the circumstances as mentioned above, the scrap and build system which was put into effect in October, 1932, and other similar measures were aimed primarily at the promotion of the development of Japan's industries which had so far continued to develop from the previous period.

"3. The Scrap and Build System.

"The worldwide economic depression after
World War I affected Japan by degrees. Japan's shipping
and ship-building industries met with extremely adverse
circumstances from the end of the TATSHO era till
the beginning of the SHOWA era.

"Since the early days, Japan's shipping industry was developed by importing old ships from abroad until her shipping came to rank third in the world. The majority of these ships, however, were either outmoded ships or inferior vessels hastily constructed during wartime. Japan was then called a country next to Greece in the ownership of outmoded ships (see the appended Table I).

"This fact not only interfered considerably

with the efficient operation of her shipping, but also gave rise to frequent disasters at sea (see the appended Table II) around the end of the TAISHO era or at the beginning of the SHOWA era. An unusually great loss of human lives involved in these disasters brought about severe criticisms against the Governmental policy of employing old ships. Thus the financial depression dealt a severe blow on Japan's shipping, --"

I will omit reading Tables No. I and No. II and I will content myself by pointing out only the points to which I wish to draw the attention of the Tribunal.

THE PRESIDENT: Mr. SHIOBARA, we are not hearing a word in English at present.

THE MONITOR: Mr. President, he is now commenting, and he is away from his prepared text. We are waiting for him to finish his sentence so that we can translate. He is referring to Appendix One or Table I.

MR. SHIOBARA (Continuing): I should like to point out, if the Tribunal please, just the total figures to explain the volume or the amount of old or superannuated ships in Japan's possession. If you will refer to the total at the lower right-hand corner, you will find that the total tonnage of

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Japanese ships was 4,186,652 tons; and two columns to the left of that gives the figure 925,477 tons showing how many ships Japan owned which were more than twenty-five years old. We return next to Table II-A. the table showing the loss of human lives (dead

and missing) due to disasters at sea between 1924

and 1930, a period of eight years. And I refer the Tribunal to the total given at the next-to-the-last line and also to the average total given in the last

line lower right-hand corner. This table shows that 11 in a period of seven years 2,955 lives were lost or 12

an annual average of 422.

Next, Table II-B, showing the percentage of total loss of Japanese vessels of over one hundred tons. I refer the Tribunal to the last line, average, total number of ship losses, average, 39.3 per cent; percentage against number of ships owned, 1.97 per cent; given in tonnage, 57,126 tons; percentage against the total tonnage owned, 1.55 per cent.

THE PRESIDENT: That 39.3 is not a percentage 21 but a total. 22

THE MONITOR: Mistranslation, your Honor.

MR. SHIOBARA: We begin at the top of page

"Thus the financial depression dealt a severe blow on Japan's shipping, till the coal freight between Moji and Yokohama was reduced to an unprecedentedly low rate of 75 sen, and the lumber freight to North America to \$6. The number of laid-up ships increased to such an extent (see the appended Table III) that no other measures could be found.

"In the last analysis the excessive ship tonnage and inferior quality of ships brought about this condition. Public opinion demanded, accordingly, that the Government should at once carry out a thoroughgoing readjustment of surplus ship tonnage and improvement in the grade of ships employed, thereby improving the condition of the shipping trade and eradicating the very cause of disasters at sea.

"Because of excess ship tonnage, ship
builders received no orders for the construction of
new vessels. This caused ship building facilities
to remain permanently idle. The ship builders were
strongly urged to rationalize the industry. They were
obliged to resort to such temporizing measures as
the construction of steel bridges, or in extreme cases,
the manufacturing of daily necessaries such as furniture, wooden clogs, and other articles. A large
number of workers lost employment in the ship building

and affiliated industries, and to give them relief became an urgent necessity. "The measure in question was proposed and out into effect in view of such circumstances, after due consultation with national ship owners' association, ship builders association, as well as labor organiza-7 tions including seamen's unions. "The measure aims at: "(a) improvement of the condition of the 10 shipping trade; "(b) rationalization of shipping and the 12 prevention of disasters at sea by the employment of 13 ships of better grade; 14 "(c) development of the ship building 15 industry and giving relief to the unemployed by 16 additional construction of ships. 17 "When the measures were put into effect, 18 the economic objectives were attained and shipping 19 and ship building industries gradually recovered from the depression. The attention of the powers was drawn to Japan's success and both England and Norway adopted 22 similar measures." 23 We now skip five lines to the paragraph marked "A". 25 "A. A policy aiming at the reduction of ship

bottom is rather contrary to war objectives. In fact, at the cutset, the military was opposed to it. The measure resulted in scrapping 500,000 gross tons of old ships and building 300,000 gross tons of new ones. In addition to this, importation of foreign vessels was banned in May, 1933.

"These facts demonstrate clearly that what the Government had intended was an out and out economic measure to improve the shipping trade by getting rid of surplus ship tonnage. That Japan's ship bottoms were actually reduced by the operation of the measure in question is shown in the appended Table IV.

"B. The measure aimed at the improvement of the grade of ships owned by Japan. However, what the Government intended was superior economic performance of individual ships according to the manner of their employment and speed. For instance, the Government-required full speed for ships of 4,000 gross tons or over was usually but 13.5 knots. It is clear, therefore, that the Government did not have high-grade ships of specially high-speed built in anticipation of a war. In certain quarters it has been alleged that Japan constructed ships for war purposes, because a considerable number of the

newly built ships were of comparatively high speed in comparison with the cargo boats of other countries.

"The fact is that Japanese ships carrying silk directly to New York via the Panama Canal were required to have high speeds in order to compete with the American trans-continental railways. Their having high speed was an economic requirement. That a majority of ships built in conformity with this policy were commissioned for the New York route should clarify this point.

"C. The reasure in question stipulated that ships should be built at domestic yards, using domestically produced raterials.

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"This is the natural result of the fact that the policy was a measure to relieve unemployment."
"e omit the rest of that sentence.

"4. As a result, the shipping business was improved, excess of space remedied and ship building enterprises well under way to recovery.

"Therefore, after the 12th year of Showa (1937) this was abolished, and the construction of up-to-date ships was resumed. This, however, was but the materialization, with a limited amount of subsidies, of the long sustained wishes of those concerned which had not been realized. Competition for the Atlantic shipping among Great Britain, the United States, France, Germany, Italy and others, which vied with each other in building ultra-modern ships was of common knowledge to the world and had been the envy of the Japanese shipping concerns. It was quite natural for Japan, which was the third shipping nation in the world, to attempt the building of ships which surpassed them.

"5. Policy of subsidizing ship building under the Iron Fanufacturing Enterprises Law.

"Steel used for ship building in Japan was imported first but later the imported steel was replaced by home manufactured steel as iron

the time imported steel was used, ship builders were requested to use steel of approximately the same price as that used by foreign ship builders imported steel was excepted from import duty to prevent the comparatively high cost of ships, and simultaneously home manufactured steel was given a subsidy of a sum corresponding to the import duty. This policy was enforced from the twenties and this was stipulated in the Iron Manufacturing Encouragement Law. In 1937 this law was abolished to be replaced by the Iron Manufacturing Enterprises Law, when the foregoing provisions were transferred to the new law and the same stipulations were enforced."

Then we omit the next two lines and two words, and begin: "It was nothing more than the outcome of an economic demand to lower ship building costs to the level prevailing in Europe and the United States.

"6. The Iron Manufacturing Enterprise Law
The Iron Manufacturing Enterprise Law which
was enacted and enforced at the end of 1939 was
passed over the objections of the Navy for the purpose of preventing the supervision of ship building
yards by the Navy. It stipulates the license system
of ship building, etc., in conformance with the

general rule of supervision of other important industries. This is a matter to be placed, because of its nature, under control and aims at preventing unnecessary competition and confusion among the ship building concerns. Upon the enforcement of this law, the existing ship building yards were given licenses and thus the status quo was maintained. Although the provision for the grant of subsidies remained in the law, no subsidy was given under this law."

That is all.

At this point I should like to explain Table

Table III is a table showing tonnage of vessels laid up. I should like to call the Tribunal's attention to the first line, December 1932, in respect of tonnage of vessels laid up. The figure is 237,322 tons.

And I also wish to refer the Tribunal to the remarks below, which states: It amounted to 330,000 tons during the period between the end of 1930 and the beginning of 1931.

And Table IV. I should like to point out on the basis of this table that the merchant ship tonnage decreased from the years 1931 to '35, and

the curve went up slightly in 1936 for the first time. 2 This concludes my explanation of the tables 3 appended to this affidavit. I should like to be permitted to supplement this affidavit by this one question addressed to the witness: 7 BY MR. SHIOBARA (Continued): Q Mr. Witness, was the question ever brought 9 up at any conference whether this maritime -- maring 10 transportation and ship building policy was in pre-11 paration for war? 12 There was no occasion at which such a 13 question was brought up. 14 FR. SHICBARA: That concludes my examination. 15 The prosecution may cross-examine this witness. 16 THE PRESIDENT: Brigadier Quilliam. 17 BRIGADIER QUILLIAM: l'ay it please your 18 Poror, we have no questions. 19 THE PRESIDENT: The witness is released on 20 the usual terms. 21 ("hereupon, the witness 22 was excused.) 23 MR. KAINO: I should like to call MAYAMA, 24 Kwanji. 25 THE PRESIDENT: "ho are you representing?

NR. KAINO: I represent the accused SUZUKI. THE PRESIDENT: That is your name? MR. KAINO: My name is KAINO. THE PRESIDENT: Mr. KAINO.

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	K W A N J I M A Y A M A, called as a witness on
2	behalf of the defense, being first duly sworn,
3	testified through the Japanese interpreter as
4	follows:
5	DIRECT EXAMINATION
5	BY MR. KAINO:
,	o What is your name?
3	A MAYAMA, Kwanji.
,	O Your personal history?
,	A Research secretary, Planning Board.
	THE PRESIDENT: What is your address?
2	A Number 584, Kamayama, 1 Chome, Setagaya
3	Ward, Tokyo.
1	Q What were your functions at the Planning
,	Board?
5	A The establishment of materials, mobiliza-
,	tion and plans, and plans for each quarter period of
3	the year.
,	Q What was the material what do you mean
0	by the material mobilization plan?
1	A The task entails the making of an estimate
2	of supply of materials and to on the basis of the
3	estimate, to supply them to various quarters requir-
1	ing them. That is, to allocate the stock on hand.
	THE CHEM. THE TS, OU ATTOCAGE ONE DOOM ST.

I shall show you a document.

(Whereupon, a document was handed to the witness.)

will you look at part three of the document, which is exhibit 842? It is entitled: Outline of the plan for the expansion of productive power, decided by Cabinet conference January 1939.

A Yes, I notice those words.

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Q Do you recognize it? Are you familiar with this document?

A Yes, I know that this plan was being formulated with respect to the expansion of productive power in the Planning Board when I was engaged in that work in that board.

Q was the Material Mobilization Plan of which your are in charge made in order to attain the objects as set out in this document?

- A This requires some explanation.
- Q Please explain as briefly as possible.

the outline for the war production plan for expansion of production, it would be thusly from the standmoint of one such as I who was in charge of a branch of that plan: Conclusion I, this plan is a very loose one and hypothetical, idealistic. As a result of this plan being carried into effect it was behind by two years. Even after two years there were items impossible of execution. That is point 3. Reasons therefore:

According to this chart there are the following defects:

1. If this plan was to take effect in the fiscal year 1939 then in accordance with this plan there should have been another plan already in execution in the previous year, namely, in 1938. Such a plan

does not exist and this plan was formulated in January of the 1939 fiscal year.

Point 2. With respect to figures as indicated in this plan there is no distinction made whether the goal is for plant installations or for production -- whether it gives the production goal or the goal to be schieved with respect to plant installations. In order to execute this plan the following factors are missing, namely, immediate or direct raw materials, subsidiary materials, and transportation.

Q At any rate do you mean to say that the Material Mobilization Plan was enforced not with the object of increasing production, expanding the productive power?

A No, the Material Mobilization Plan was not formulated to this end.

Q Then what was the purpose, if you can state it briefly?

A The Materials Mobilization Plan involved merely the power of sunnly and involved the adjustment and coordination of the power of sunnly and the allocation of the supply.

Q What were the functions or the power of the Planning Board with respect to the allocation plan of which you testified?

The business of the Planning Board is nothing 1 more than coordination of this matter as it relates 2 to the various ministries of the government. 3 Q What do you meen by allocation -- what do you meen by coordination or adjustment? A With respect to sunnly nower the various 6 ministries concerned report to the Planning Board as 7 to the schedule of possible supply in accordance with their peculiar conditions or circumstances, and, depending on the supply power as can be estimated from the remorts given by the various ministries, the 11 Planning Board sets up an estimate with regard to meeting the demands of the various ministries. Q What do you mean by meeting the demand? 15

A . For instance, if any demand or request comes from the ermy or nevy departments it may be that their demands are far beyond the supply on hand or supply evailable. In that case the various ministries of the government are consulted and the allocation of the limited smount of sunnly is there edjusted.

That happens if no agreement or settlement is reached as a result of inter-ministry consultations?

A No Materials fobilization Plan can be established as long as there is no agreement among the various ministrics.

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line of the allocation.

Then the verious ministries made a demend on allocation to the Planning Board did these various ministries clearly state the purpose to which they intended to use the particular material they desired? A Yes, detailed explanations or indications are given by all the ministries except the Army and the Navy Departments. Why did not the Army and Navy Ministries state clearly the reasons? Because it involved military secrets. Q Was there any legal basis which prohibited a clear statement of matters concerning naval and military secrets? There is a military secrets protection law. What kind of materials did the Material Q Mobilization Plan cover? Generally about four hundred items. "hat were the main important items? Q Whatever the year in which any plan is drawn up the principal item, of course, is iron. Now, do you recall the amount of steel materials demanded by various ministries and allocated to them? I don't have any definite recollection because the demends of the various ministries were extremely complex and voluminous. However, I do recall the outQ Then, will you sum up the allocation roughly with main emphasis on the navy and army allocations.

A With respect to steel allocations the conditions were extremely complicated because of the existence of distribution control and it is therefore natural that there would be differences in the figures allocated, depending on the year in which the allocation is made.

THE MONITOR: Differences in the nature of the figures.

A (Continuing) The amount of steel allocated to the army and navy during the 1938 fiscal year was 1,250,000 tons.

Q Do you mean the year 1938?

A Yes. In 1939 there was an increase of nearly 200,000 tons, giving a total of about a million and a half tons. The total tonnage allocated in 1940 was 1,650,000 and in 1941 it was approximately 1,850,000 tons.

Q You have testified a while ago that circumstances were different. Would you explain briefly the difference of the circumstances?

A First, in mentioning the various different circumstances I would mention the affiliated munitions industries, which, if I should explain further, means the construction of roads and sewerage with respect to the building of aircraft manufacturing plants.

ZHR MONITOR: As one of the illustrations.

were supplied by civilian sources. With the advance of each fiscal year the supply became increasingly difficult and therefore the allocations were considered by including all such matters under the general allocations for the army and navy, and the increase of 200,000 or 300,000 each year naturally includes -- and naturally the increase of 200,000 or 300,000 tons each year included all civilian supplies which were taken into account, and, therefore, the demand for steel in the various years shows no very noticeable change. Therefore, there is hardly any noticeable change in the supply forcer of steel each year.

THE MONITOR: Total supply capacity of each year.

A (Continuing) Therefore, as a plan the figures generally are around 4,800,000 tons to 5,000,000 tons, and, with respect to this plan, in the light of various domestic conditions there was a general decrease of about 10 to 20 per cent. And, therefore, this decrease has also affected the allocation to the army and the navy as well — this decrease in production. Such being the conditions the other branches of industry also have been under considerable restriction or limitation of

material supply.

Q Go on.

A Generally, with respect to the army and navy peace-time demand of steel in such years as 1939 to 1941, the total demand placed by the army and navy with regard to this product was about 250,000,000 tons to 3,000,000 tons.

THE PRESIDENT: Two and a half million to three million.

THE MONITOR: Yes, sir. That is right.

A (Continuing) And for these circumstances only about 50 to 60 per cent of the amount demanded by the army and navy could be allocated to these two branches, that is, in peace-time.

Q Was the iron to which you referred all produced in Japan?

A No.

Q Then, where were they produced, where were they obtained?

A What can be produced out of domestic iron ore is generally not more than 2,000,000 tons annually. As to the balance of two to three million tons which was necessary to meet domestic demands, it was necessary to import from the outside in the form of scrap iron, et cetera.

Up to what year -- up to what period had 2the importation been planned? Not only with respect to scrap iron, but with Arespect to all materials, plans were drawn up up to 5July 7, 1941. Q Do you recall anything with respect to plans 7for funds -- importation funds? There are two problems with respect to 9 importation funds. At the outset of the Materials 10 Mobilization Plan, because of the fact that Japanese 11 domestic economy relied upon foreign trade and on foreign 12 countries, the mobilization plan ty this very fact had 13 to consider also the allocation of foreign assets. 14 With respect to the carrying into effect of this Materials 15 Mobilization Plan, a very great difficulty was experienced because of the decrease in imports from year to year, and such import funds were calculated on the basis 18 of f.o.b. braces. 19 THE FRESIDENT: Mr. KAINO, that is enough for this afternoon. We will adjourn until half-past 21 nine tomorrow morning, (Whereupon, at 1600, an adjournment 23

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was taker until Friday, March 14, 1947 at 0930.)

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